

Gold Medal Travel Group plc

Overview

■ Challenge

To support business growth and help improve decision-making, Gold Medal required a daily reporting solution capable of analyzing the business by channel, product, country, airline, Internet, or agent. Understanding the breakdown of gross margin was fundamental to making the right decisions to improve business performance and profitability.

■ Solution

- IBM Cognos TM1

■ Key Benefits

- Daily analysis of product sales and margin mix allows real-time decision making
- A reduction in time to close at month end by two weeks
- A user-friendly interface enables reviews of daily performance with a few clicks of the mouse
- Breakdown of sales information translates into more effective marketing



Gold Medal Travel Group plc is one of the UK's leading independent travel companies, offering access to airfares from more than 130 of the world's leading airlines to 1500 destinations, 30,000 hotels worldwide, and car hire in over 50 countries. With tremendous growth and award-winning service, the company has achieved a business boasting over £350m turnover, 600-plus employees, and many industry accolades spanning their thirty-year history. Today Gold Medal continues to offer the quality, service, and value for

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*Steve Bacon
Finance Director of
Gold Medal Travel*

money travel options that consumers have come to expect, ranging from flights to complete tailor-made holidays.

Challenges faced

In order to support business growth and help improve decision making, Gold Medal required a daily reporting solution capable of analysing the business by channel, product, country, airline, internet, or agent. Steve Bacon, Finance Director, had a clear vision that recognised the need to dramatically improve the accuracy and timeliness of management information.

Understanding the breakdown of gross margin was fundamental to making the right decisions to improve business performance and profitability. "We generate a tremendous amount of data each day relating to customer orders, but producing meaningful information could take three days. Using a combination of flat file exports, hard copy, and re-input of data into Excel was inefficient and error-prone. We needed an automated solution that would support daily decision making. The solution had to be reconciled with the management accounts to gain Board approval," says Bacon.

Strategy followed

Due to customer referrals and a previously successful working relationship, the Gold Medal finance team approached ICit Business Intelligence Limited to design and build a solution that would satisfy their requirements.

The first step was to prove whether IBM Cognos TM1 was the right product for Gold Medal. ICit conducted a two-day Proof of Concept, building an initial model to analyse 12 months of flight data consisting of over 2 million transactions. ICit consultants, with a blend of accountancy and technical IBM Cognos TM1 implementation experience, ensured a fast and successful POC. ICit was able to demonstrate the power and flexibility of the solution that would potentially give Gold Medal a competitive advantage in the travel industry. The production system had to meet the following success criteria:

- *Support informed business decisions*
- *Reconcile with management accounts and satisfy audit criteria*
- *Allow budgeting, forecasting, reporting, and analysis in a single environment*
- *Lead to faster, more accurate reporting with High/Low Performance Analysis*
- *Consist of an easy-to-use and customisable interface*
- *Have the fastest possible implementation time*

Benefits realised

The system developed for Gold Medal provides on-line dynamic reports and analysis across all major products for each key performance metric. In addition, using a shape object showing a world map, users can simply drill-down to review margin performance at "city" level. By presenting the information in a user-friendly intranet Web page with Executive Viewer objects, Gold Medal can quickly review

daily performance with a few clicks of the mouse. Results that fall outside a set of predetermined values are highlighted using traffic-light colours to focus management on areas of the business that need attention.

Additionally, the fast, adaptable reporting system allows Gold Medal to discover the results of "Test and Learn" marketing promotions immediately, and to base any possible changes with clarity on the outcome. The capability to further break down the sales information between dates when bookings are made and when clients will travel translates into more far more effective marketing.

According to Steve Bacon, "Before introducing the solution based on IBM Cognos TM1, our sales analysis could take three days to complete. This was too slow and hindered our ability to make informed decisions about marketing promotions and product pricing. The new IBM Cognos system gives daily analysis of product sales and margin mix. We can now make tactical decisions and test marketing promotions in real time.

"We have worked in collaboration with ICit to develop a customised solution to deliver management information to key stakeholders. We have reduced our month end close by two weeks and we are delighted with the results. We also have plans to extend the use of the IBM Cognos system across the business, including operations," continues Bacon.

“While we achieved our objectives, we underestimated the amount of time it would take to cleanse the source data. Admittedly, we had several data sources and we were adamant that the gross margin would be reconciled with the management accounts. ICit were able to drive the reconciliation process, since the team consisted of qualified accountants and software implementation consultants,” Bacon concludes.

Following the success in Finance, phase two for Gold Medal is to implement an application that will improve operations performance management in the call centre using the power of IBM Cognos TM1.

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